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C O N F I D E N T I A L SECTION 01 OF 05 COLOMBO 001929

STATE FOR SA/INS USPACOM FOR FPA

E.O. 12958: DECL: 11/07/2015 TAGS: PGOV PTER PREL CE LTTE
SUBJECT: SRI LANKA: IMPLICATIONS OF PRESIDENTIAL ELECTION FOR US POLICY ON PEACE PROCESS

REF: A. COLOMBO 1922

- ¶B. COLOMBO 1891 C. COLOMBO 1853
- TD. COLOMBO 1831 ¶E. COLOMBO 1912

Classified By: AMB. JEFFREY J. LUNSTEAD. REASON: 1.4 (B,D).

SUMMARY

- (C) -- The distinct approaches to the peace process adopted by the two main candidates in the run-up to Sri Lanka's November 17 presidential election pose different challenges for members of the international community, including the U.S., who hope to promote a permanent resolution of the ethnic conflict.
- -- The nationalist line adopted by Prime Minister and Sri Lanka Freedom Party (SLFP) candidate Mahinda Rajapakse threatens to polarize ethnic communities, encourage even greater violence in the chaotic east, and provide the Liberation Tigers of Tamil Eelam (LTTE) a convenient pretext for spurning negotiations with the Government.
- -- In particular, Rajapakse's Norway-baiting, while perhaps a crowd-pleaser on the campaign stump, could affect Oslo's willingness to continue in its role as facilitator should he
- -United National Party (UNP) candidate Ranil Wickremesinghe's apparent reliance on the old policies and approaches of his former government, on the other hand, could prove just as counter-productive as it fails to take into account the deterioration of the peace process over the past 18 months.
- --Both candidates will likely expect the co-chairs to help persuade the LTTE to return to the negotiating table, but our ability to do so successfully will largely depend on the actions and policies adopted by the new president.
- $\mbox{--Most}$ important, the victor, whoever he may be, must act early and decisively to quell the burgeoning violence in the east--and halt any government support, tacit or otherwise, to the Karuna faction--or risk unraveling the tattered Ceasefire Agreement even further.
- --Co-chair representatives in Sri Lanka should meet the winner soon after inauguration to encourage decisive and creative steps to reinvigorate the peace process.
- --An early high-level U.S. visit to Sri Lanka after the election could emphasize the importance of pragmatic efforts to reinvigorate the peace process.

End summary.

MAHINDA'S UNITARY STATE:

CAMPAIGN CLAPTRAP OR CONVICTION?

(C) With one week remaining before the November 17 presidential election, the race remains too close to call. But if the election result remains difficult to predict, the differences between the two candidates' stances on a wide array of issues, including the peace process, are obvious (Ref C). Despite the apparent public hard line taken by Prime Minister and Sri Lanka Freedom Party (SLFP) candidate Mahinda Rajapakse, his personal views on how he would craft a lasting settlement remain unclear, and he has done little to elaborate. Recent discussions with his campaign advisors (Ref C), other diplomats (Ref A) and NGO sources have suggested that, contrary to what his manifesto indicates Rajapakse is not opposed to federalism and/or some rajapakse is not opposed to rederatism and/of some significant devolution of power to the north and east at the provincial level. A local NGO official in contact with both the Prime Minister and the LTTE, told us on November 7 that Rajapakse has been in back-channel communication with the

Tigers since July and has proposed an interim authority, in the form of a provincial council with a five-year term for elected members, with expanded authority over police, land titles, and the judiciary. The LTTE reputedly has not responded to this proposal, but described Rajapakse's approach as "practical."

13. (C) Our best guess is that Rajapakse has well-intentioned, if somewhat naive, thoughts on the peace process. He will be handicapped in realizing those intentions, however, by underestimating the single-mindedness of both the LTTE and his Janatha Vimukthi Peramuna (JVP) allies and by overestimating the ability of the international community to "rescue" him if re-starting negotiations proves more difficult than anticipated. Rajapakse has no real experience in dealing with the LTTE, despite having served as Prime Minister for more than a year, nor has he been involved in GSL strategizing on the peace process. The same is true of those in his inner circle. Moreover, it is widely assumed that President Kumaratunga's team in the Peace Secretariat, including Ambassador Jayantha Dhanapala, would step down if Rajapakse were elected, leaving the new administration extremely thin on LTTE-relevant contacts and experience. That said, Rajapakse may have a better appreciation of Tiger realpolitik than his public comments would indicate.

THE JVP: ANTITHESIS OF THE SILENT PARTNER

14. (C) The biggest problem with Rajapakse's approach may be that he is underestimating the JVP more than the LTTE. We have heard from everyone, including Rajapakse, that he expects to be able to manage his obstreperous electoral ally once in office--either by ignoring or transforming the party's arch-nationalism into greater openness to a negotiated solution. Recent experience (e.g., the JVP's decampment from Kumaratunga's government in June) indicates, however, that the JVP is not that easily managed--especially if it sees an opportunity to promote itself as the last-remaining savior of Sinhalese sovereignty. For the JVP, "firmness" on the peace process is what differentiates it from the left-of-center SLFP--and guarantees its appeal to the southern Sinhalese vote bank. If Rajapakse modifies his post-electoral stance on the peace process, as some contacts have suggested, to one more accommodating of Tiger demands for an interim administration and/or a federal solution, the JVP will cry foul--and paint Rajapakse and the SLFP as sell-outs.

MAHINDA IN THE DRIVER'S SEAT: WHAT IT COULD MEAN FOR CO-CHAIRS

 $\P 5.$ (C) A Rajapakse victory would pose several obvious and immediate challenges for the U.S. and other members of the international community that hope to assist the GSL in forging a peaceful settlement. While Rajapakse's manifesto spoke of "frank" discussions with the co-chairs and a re-evaluation of Norway's role as facilitator, we expect that his own lack of experience with the LTTE and the restrictions imposed on him by his JVP partners will leave him limited options--and thus dependent on the international community for heavy lifting on the peace process. If so, Rajapakse is overestimating the interest, patience and influence of the international community. The co-chairs' ability to persuade the LTTE that it should re-engage with the GSL will hinge primarily on what the GSL says and does about the peace process, rather than our good will or influence with the Tigers. Just as Rajapakse's dependence on JVP support may constrain his ability to deal with the Tigers, so, too, may it constrain our ability as co-chairs to convince the LTTE of his sincerity in seeking a peaceful and lasting settlement. We have stressed to Rajapakse and others that the international community cannot remain engaged in the peace process if the parties themselves seem unwilling to do so. At the same time, Norway's willingness to remain the perpetual scapegoat in Sri Lankan posturing over why the peace process has failed is limited as well. Norwegian Ambassador Hans Brattskar has told us on several recent occasions that he has warned Rajapakse that his government might do its own re-evaluation of its role should Rajapakse continue, if elected, to blame Norway publicly for the lack of progress toward peace (Ref A). The new Norwegian government has stated publicly it intends to continue its facilitation role--assuming it is wanted by both sides. But depending on Rajapakse's public rhetoric after the election, the possibility that Norway might step down cannot be ruled

WHAT TO DO?

 $[\]underline{\ }$ 6. (C) If Rajapakse is elected, the U.S., along with other co-chairs, should:

- --Meet with him as soon as possible after his inauguration to encourage him to maintain the ceasefire and urge him to spell out next steps on the peace process and what role he envisions for the co-chairs, including Norway;
- --Urge him to clamp down on the "dirty war," including any GSL support for the Karuna faction, on an urgent basis;
- --Encourage an early and significant confidence-building measure to re-energize the process;
- --Assure him of our willingness to assist the process but caution that our ability to do so will be affected by his government's policies, actions and rhetoric;
- --Use an early high-level visit to Sri Lanka to emphasize the importance of pragmatic efforts to reinvigorate the peace process while stressing U.S. support is not automatic.

WICKREMESINGHE CAMPAIGN:

17. (C) Wickremesinghe's three years (2001-2004) at the helm of the peace process as Prime Minister offer a good indication of what tack he would pursue if elected President. Unfortunately, however, he seems to expect he can simply pick up with the LTTE where he left off--without taking into account any of the complicating factors that have arisen in the interim, e.g., (apparent) GSL support of the Karuna faction; the degradation of the CFA on a near-daily basis; increased suspicion of southern sincerity after the tsunami aid mechanism (aka P-TOMS) fiasco; the Tigers' assassination of Foreign Minister Lakshman Kadirgamar and the subsequent EU travel ban, etc. The UNP candidate may be counting too heavily on his past relations with the Tigers to compensate for the greater distrust of the south spawned by the Karuna split. Wickremesinghe will be unable to pick up where he left off with the Tigers simply because the Tigers are not there anymore; they have moved back (along with Kumaratunga's government) from a point where negotiations still seemed possible to a more entrenched, less flexible position.

INTERNATIONAL SUPPORT

18. (C) One of the pillars of Wickremesinghe's peace process was what he termed the "international safety net." The term encompassed both the political and financial support offered by the international community underlined by the April 2003 Tokyo meeting and Declaration with its promise of a potential USD 4.5 billion in development assistance. On the political side, Sri Lanka garnered hgih-level attention around the world, and Wickremesinghe himself had two Oval Office visits in a short time frame. Wickremesinghe may well expect that such high-level attention and resources will automatically reappear if he is elected, although we and others have told him that there are many competing demands for international attention and funding.

NATIONAL GOVERNMENT: CHIMERA OR REALITY?

- 19. (C) Wickremesinghe has made public and private overtures inviting incumbent President Kumaratunga (who turns out to be no fan of her own party's presidential candidate) to form a national government with him if he is elected (Ref E). The alliance of the two largest political parties, according to this plan, would produce the much-wished-for but never-realized southern consensus on a peaceful settlement that has so far eluded Sinhalese politicians. (Also part of the deal, according to some sources: a pledge to call early general elections so that Kumaratunga can see her one-time JVP alliance partners lose their seats in Parliament.) Wickremesinghe could then take the unprecedented bipartisan support of his peace plan to the Tigers as proof of southern sincerity and thereby win their agreement to resume negotiations.
- 110. (C) A national government probably is too good to be true. However much Kumaratunga may wish to see a peaceful settlement (and however gratified she might be to see the JVP go down in electoral flames), it seems unlikely to us that she would be willing to cede to Wickremesinghe the honor and distinction of achieving it. For Kumaratunga, a Wickremesinghe victory would also mean a Rajapakse defeat—and thus a chance to reclaim the SLFP leadership for herself and her family. For Kumaratunga, Leader of the Opposition may remain a more attractive position than playing second fiddle—even if it is in a front-row seat—in a Wickremesinghe government. Despite the kind words on both sides right now, we suspect that Kumaratunga may end up

deciding against joining her old foe in a national government, if such a deal were offered by a triumphant Wickremesinghe.

CO-CHAIR SEATS ARE

SECURE, BUT UTILITY LIMITED

- 111. (C) While Rajapakse might attempt to keep the co-chairs at arm's length (at least in public), Wickremesinghe, if elected, can be expected to welcome our public support. Like Rajapakse, however, he may look to the co-chairs as a bridge to the Tigers, especially in the early days of his administration. Our ability to be effective in this regard will, however, be largely determined by the extent to which Wickremesinghe demonstrates that he is not bound by the "old-think" of his previous term and is willing to explore fresh approaches on the peace process. If Wickremesinghe is elected, the U.S., along with other co-chairs, should:
- $\mbox{--Meet}$ with Wickremesinghe soon after his inauguration to discuss what initiatives he may be considering;
- --Reassess with him the role of the co-chairs in the absence of significant progress toward peace since the Tokyo Conference;
- --Encourage him as quickly as possible to examine how to curb the Karuna faction and other violence in the north and east and discuss with the LTTE how to preserve and strengthen the CFA:
- --Use an early high-level visit from the U.S. to emphasize that we support his pragmatic approach to peace-making, but that there are many competing demands for international (and U.S.) attention and resources. LUNSTEAD